

# MILPITAS OVERSIGHT BOARD

TO THE CITY OF MILPITAS ACTING AS THE RDA SUCCESSOR AGENCY

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455 EAST CALAVERAS BOULEVARD, MILPITAS, CA 95035-5479  
GENERAL INFORMATION: 408-586-3000 [www.ci.milpitas.ca.gov](http://www.ci.milpitas.ca.gov)

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## MILPITAS OVERSIGHT BOARD MEETING

Milpitas City Hall Committee Room  
455 E. Calaveras Blvd., Milpitas, CA 95035

### MEMBERS:

Jane Corpus  
Bruce Knopf, Vice Chair  
Mike McInerney, Chair  
Michael Mendizabal  
Althea Polanski  
Matthew Tinsley  
Glen Williams

### ALTERNATES:

Alan Minato  
  
Suzanne Carrig  
Michael Murdter

## Minutes of the January 23, 2017 Meeting

### **I. CALL TO ORDER, ROLL CALL AND PLEDGE OF ALLEGIANCE**

Chair McInerney called the meeting to order at 1:32 p.m. Special Counsel Ms. Hilda Montoy joined the meeting via telephone.

### **ROLL CALL**

**MEMBERS PRESENT:** Jane Corpus, Mike McInerney, Mike Mendizabal, Alan Minato, Michael Murdter (arrived at 1:44 p.m.), Althea Polanski and Matthew Tinsley

**MEMBERS ABSENT:** None

### **II. PUBLIC FORUM:** None

### **III. APPROVAL OF AGENDA**

Moved by Mr. Mendizabal and seconded by Ms. Polanski to approve the agenda. The motion passed unanimously.

### **IV. APPROVAL OF MINUTES**

#### **A. July 18, 2016 Meeting**

Moved by Ms. Polanski and seconded by Mr. Mendizabal to approve the minutes of July 18, 2016. The motion passed by the following vote: **AYES:** McInerney, Mendizabal, Polanski and Tinsley **NOES:** 0 **ABSENT:** Murdter **ABSTAIN:** Corpus and Minato.



## V. OLD BUSINESS:

None

## VI. NEW BUSINESS

- A. Adoption of Resolution No. 83 Approving the Successor Agency's Administrative Budget for July 1, 2017 through June 30, 2018.

Chair McNerney presented the staff report. Board Member Corpus gave an overview of the Administrative Budget saying that the Successor Agency (SA) submitted a proposed budget of \$135,456 which is a decrease of just over \$40,200 or twenty-three percent (23%) from last fiscal year's budget. City staff costs decreased from approximately \$114,400 in FY 16-17 to approximately \$76,150 in FY 17-18 for a staffing cost percentage decrease of thirty-three percent (33%).

Board Member Minato thanked the City for this staffing cost reduction, but said he believes the staffing budget still seems too high. He noted that the sum of the individual position percentages in the backup sheet totals to thirty-three percent (33%) of a Full Time Equivalent (FTE) employee which equals roughly 700 hours of staff time. He stated the Successor Agency processes payments for two debt obligations during the year. It also has to resolve the disposition of one more property that has been troublesome. He stated that the City of Campbell charges \$11,000 per fiscal year in staff time and it has one bond issuance to process and it makes payments on two debt obligations. The Town of Los Gatos charges \$20,000 in staff time and it has one bond issuance to process and it makes payments on two debt obligations each year and it has no properties.

Board Member Corpus stated that she is not familiar with the financial staffing structure or operational processes of the City of Campbell or the Town of Los Gatos so she does not know how valid any comparisons may be. She is, however, willing to have a discussion with them to determine how comparable they are to Milpitas. She pointed out that the City of Milpitas has a comprehensive process of reviews on financial transactions and its own separate bank account which reconciles at the end of each month. She added the staffing budget also reflects the high level of uncertainty on how many hours it will take to resolve the disposition of the one property that is likely to be contentious.

Board Member Polanski expressed her appreciation for the SA reducing the staff budget by thirty-three percent (33%) and she said she understands the questions that Board Member Minato raises. She shares the same concern as Board Member Corpus regarding whether one may make valid comparisons between the situations of the three cities. The other cities may not be doing the same things as the City of Milpitas in areas where the Successor Agency needs to be accountable. She believes it will be much harder to come back and ask for additional funds if something unexpected happens, especially with one property that already is contentious and it will continue to be contentious. She applauded Board Member Corpus for reducing staffing costs by the amount proposed and stated the Board should move forward and see what happens over the next several months.

After these comments a general discussion among the Board members ensued on several topics:

- The impact of cities with roughly similar workloads having significantly different staffing budgets.
- The reconciliation with the County Controller's Office of the actual spending on staffing compared to the budget during which the Board learned that a position generates salary savings or reduced costs compared to the budget only when it is unoccupied.
- The current practice of City staff members only estimating the amount of time spent on Successor Agency activities and the potential impact on staff efficiency of instituting a process of more such detailed time keeping.

Moved by Mr. Minato and seconded by Mr. Murdter to adopt Resolution No. 83 approving Successor Agency's Administrative Budget as amended to reduce the proposed budget by \$25,000 from \$135,456 to \$110,456 with the reduction only applying to the City staffing line. The motion passed by the following vote: **AYES:** McNerney, Minato, Murdter and Tinsley **NOES:** Corpus, Mendizabal and Polanski **Absent:** 0 **Abstain:** 0

- B. Adoption of Resolution No. 84 Approving the Recognized Obligation Payment Schedule (ROPS) for July 1, 2017 through June 30, 2018

Chair McNerney presented the staff report.



Board Member Minato commented that since the ROPS contains a line item that is the SA's Administrative Budget, the approved ROPS must at least reflect the reduction to the Administrative Budget the Board approved in the previous item. Chair McInerney asked Board Member Minato if he required City staff to distribute the \$25,000 reduction to the Administrative Budget equally across the two six-month periods. Board Member Minato replied that he would leave the amount of reduction in each period up to the City Finance Director so long as the total reduction for the fiscal year equaled \$25,000.

Moved by Mr. Minato and seconded by Mr. Murdter to adopt Resolution No. 84 approving ROPS for July 1, 2017 through June 30, 2018 as amended. The motion passed by the following vote: **AYES:** McInerney, Mendizabal, Minato, Murdter and Tinsley **NOES:** Corpus and Polanski **Absent:** 0 **Abstain:** 0

## VII. NEXT MEETING

### A. Identify Potential Agenda Items.

1. Item on the 230 N. Main St. property that the Board postponed at its February 19, 2016 meeting.
2. Status report on sale of the three properties.

### B. Set Date and Time.

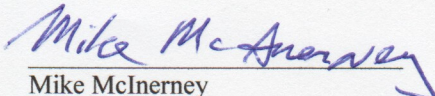
It was agreed that the next meeting will be March 13, 2017 at 2:30.

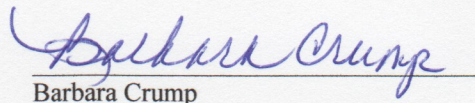
## VIII. MEETING ADJOURNMENT

Moved by Mr. Mendizabal and seconded by Mr. Tinsley, Chair McInerney adjourned the meeting at 2:34 on the consensus of the Board.

*Meeting minutes drafted and submitted by  
Barbara Crump, Board Secretary*

*Approved on March 13, 2017.*

  
Mike McInerney  
Oversight Board Chair

  
Barbara Crump  
Oversight Board Secretary